

**AUDITORS' MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
BOROUGH OF BUTLER
COUNTY OF MORRIS, NEW JERSEY
JUNE 30, 2015**

SCHOOL DISTRICT OF THE BOROUGH OF BUTLER
COUNTY OF MORRIS, NEW JERSEY

AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Borough of Butler School District
County of Morris, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Butler School District in the County of Morris for the year ended June 30, 2015, and have issued our report thereon dated December 14, 2015.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Borough of Butler Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Thomas M. Ferry
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No. 20CS00209100

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Certified Public Accountants

Newton, New Jersey

December 14, 2015



BOROUGH OF BUTLER SCHOOL DISTRICT

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

GENERAL COMMENTS

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's Comprehensive Annual Financial Report ("CAFR").

Officials Bonds (N.J.S.A. 18A:17-26,18A:17-32)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
James Kozimor	Treasurer of School Moneys	\$218,000.00
Barbara Murphy	Board Secretary/School Business Administrator	205,000.00

There is a faithful performance of duty coverage for government employees blanket bond in the amount of \$500,000.00 covering all other employees.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were higher than estimated costs. The Board made a proper adjustment to the billings to sending districts for the increase in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to signatures, certification or supporting documentation.

BOROUGH OF BUTLER SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2015

Financial Planning, Accounting and Reporting (continued)

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to general fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrators) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30th for goods not yet received or services yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for priority and to determine that goods were received and services were rendered as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classification to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

BOROUGH OF BUTLER SCHOOL DISTRICT

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (continued)

Board Secretary's Records

The Board Secretary's records were found to be in good condition.

Fixed Assets

The general fixed assets records were updated for the additions and disposals of general fixed assets made during the year.

Treasurer's Records

The Treasurer's records were found to be in good condition.

Elementary and Secondary Education Act (E.S.E.A.), Improving America's School Act (I.A.S.A.) as reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./N.C.L.B. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to Titles I, II and III of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

BOROUGH OF BUTLER SCHOOL DISTRICT

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

GENERAL COMMENTS (Continued)

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments be made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was received subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."

Effective July 1, 2010 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agency) and \$26,000 (without a Qualified

BOROUGH OF BUTLER SCHOOL DISTRICT

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

GENERAL COMMENTS (Continued)

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,300.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Food Service

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. The number of meals/milk claimed for reimbursement was compared to sales and meal/milk count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. Meals claimed did agree with the meal count records.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in provisions I & II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

BOROUGH OF BUTLER SCHOOL DISTRICT

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

GENERAL COMMENTS (Continued)

School Food Service (continued)

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

Expenditures were separately recorded as food, labor and other cost. Vendor invoices were reviewed and costs verified with the following exception:

Finding 2015-01:

Invoices supplied by the Food Service Management Company do not support the amount charged for food purchases reported on the monthly operating statements.

Recommendation:

That food purchases reported on the monthly operating statements have supporting documentation.

Management Response:

Business Administrator did not reimburse the Food Service Management Company for any food purchases reported on the monthly operating statements that did not have sufficient supporting documentation. Business Administrator reported this to the auditor. Food Service Company's contract was not renewed.

Inventory records on food and supply items were not currently maintained and properly applied in determining the cost of food and supplies used.

Finding 2015-02:

The ending inventory listing supplied by the Food Service Management Company could not be verified.

Recommendation:

That the ending inventory listing be more specific with cost of food purchased and specific items purchased.

Management Response:

Business Administrator requested this information from the Food Service Management Company and it was not provided. Business Administrator reported this to the auditor. Food Service Company's contract was not renewed.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

BOROUGH OF BUTLER SCHOOL DISTRICT

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

GENERAL COMMENTS (Continued)

School Food Service (continued)

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

U.S.D.A. Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G, of the CAFR.

Student Activity Fund

Cash receipts and disbursement records were maintained in good order.

Cash disbursements had proper signatures and supporting documentation.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the District's procedures related to its completion. The information on the A.S.S.A. was compared to the District's workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-15 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

BOROUGH OF BUTLER SCHOOL DISTRICT

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

GENERAL COMMENTS (continued)

Pupil Transportation (continued)

Finding 2015-03:

In four (4) cases, B6T forms were missing parental signatures with dates.

Recommendation:

That all B6T forms have parental signatures with dates.

Management Response:

In the future, Business Administrator's secretary shall see that all B6T forms have parental signatures and dates.

Extraordinary Aid Application

Finding 2015-04:

The following were found on the application for Extraordinary Aid:

1. Two (2) students were incorrectly input as Sparta School District when they were Northern Hills Academy students.
2. Two (2) pre-school students had ABA Services in their application that were not on their IEP's.

Recommendation:

That care be taken when inputting the application for Extraordinary Aid.

Management Response:

1. Business Administrator had difficulty locating Northern Hills Academy in the drop down list on the Extraordinary Aid application. In the future, Business Administrator shall reach out to the State for assistance when a school is not listed as a choice in the drop down list.
2. In the future, Case Managers shall include all services a student receives in their IEP's.

BOROUGH OF BUTLER SCHOOL DISTRICT

**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,



Thomas M. Ferry
Licensed Public School Accountant
No. 20CS00209100

Ferraioli, Wielkatz, Cerullo & Cuva, P.A.
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Certified Public Accountants

SCHEDULE OF AUDITED ENROLLMENTS

BUTLER SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registrars On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verify-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Share	Full	Shared	Full	Shared				
Full Day Kindergarten	76		76					76		76						
One	54		54					54		54						
Two	70		70					70		70						
Three	50		50					50		50						
Four	53		53					53		53						
Five	55		55					55		55						
Six	57		57					57		57						
Seven	54		54					54		54						
Eight	63		63					63		63						
Nine	98		98					98		98						
Ten	118		118					118		118						
Eleven	86	4	86	4				86	4	86	4					
Twelve	83	2	83	2				83	2	83	2					
Subtotal	917	6	917	6	0	0	917	6	917	6	0	0	0	0	0	0
Special Ed - Elementary	98		98					56		56			3	3	3	
Special Ed - Middle School	49		49					28		28			4	4	4	
Special Ed - High School	73	11	73	11				42	10	42	10		8	7	7	
Subtotal	220	11	220	11	0	0	126	10	126	10	0	0	15	14	14	0
Total	1,137	17	1,137	17	0	0	1,043	16	1,043	16	0	0	15	14	14	0
Percent Error					0%	0%					0%	0%				0%

SCHEDULE OF AUDITED ENROLLMENTS

BUTLER SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

Enrollment Category	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error
Full Day Kindergarten	16	16		6	6		6	6		5	5	
One	13	13		6	6		4	4		3	3	
Two	14	14		6	6		4	4		3	3	
Three	9	9		4	4		2	2		2	2	
Four	14	14		7	7		3	3		3	3	
Five	8	8		5	5		0	0		0	0	
Six	11	11		7	7		0	0		0	0	
Seven	12	12		8	8		0	0		0	0	
Eight	10	10		6	6		0	0		0	0	
Nine	13	13		8	8		1	1		1	1	
Ten	15	15		9	9		0	0		0	0	
Eleven	8	8		4	4		1	1		1	1	
Twelve	8	8		5	5		0	0		0	0	
Subtotal	151	151	0	81	81		21	21		18	18	
Special Ed - Elementary	29	29		13	13		9	9		8	8	
Special Ed - Middle School	13	13		8	8		0	0		0	0	
Special Ed - High School	8.5	8.5		5	5		0	0		0	0	
Subtotal	50.5	50.5	0	26	26		9	9		8	8	
Total	201.5	201.5	0	107	107	0	30	30	0	26	26	0
Percent Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

SCHEDULE OF AUDITED ENROLLMENTS

BUTLER SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

<u>Enrollment Category</u>	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Error</u>
Half Day Preschool						
Full Day Kindergarten	5	5		4	4	
One	1	1		1	1	
Two	1	1		1	1	
Three	0	0		0	0	
Four	2	2		2	2	
Five	2	2		2	2	
Six	0	0		0	0	
Seven	0	0		0	0	
Eight	0	0		0	0	
Nine	1	1		1	1	
Ten	0	0		0	0	
Eleven	1	1		1	1	
Twelve	0	0		0	0	
Subtotal	13	13	0	12	12	0
Special Ed - Elementary	5	5		4	4	
Special Ed - Middle School	0	0		0	0	
Special Ed - High School	0	0		0	0	
Subtotal	5	5	0	4	4	0
Total	18	18	0	16	16	0
Percent Error			0%			0%
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools, col. 1	55	55		42	42	
Regular - SpEd, col. 4	19	19		17	17	
Transported - Non-Public, col. 3	28	28		25	21	4
Special Ed Spec, col. 6	46	46		40	40	
Totals	102	102	0	84	80	4
Percentage Error			0%			0%

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT/CHARTER SCHOOL/RENAISSANCE SCHOOL PROJECT

SECTION 1

A. 2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures per the CAFR, Ex.C-1	\$	<u>22,677,173.58</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>110,000.00</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>111,000.00</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u> </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u> </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>1,907,453.99</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u> </u>	(B2b)
Adjusted 14-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$	<u>20,990,719.59</u>	(B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$	<u>419,814.39</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>419,814.39</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>335,987.00</u>	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$	<u><u>755,801.39</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-15 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>3,281,593.92</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>95,077.33</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u> </u>	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>696,015.47</u>	(C3)
Other Restricted Fund Balances****	\$	<u>650,979.85</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>188,791.53</u>	(C5)
Assigned Fund Balance ARRA/SEMI - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>10,128.35</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>1,640,601.39</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 884,800.00 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>696,015.47</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$ <u>884,800.00</u>	(E)
Total Excess Surplus [(C3) + (E)]	\$ <u>1,580,815.47</u>	(D)

Footnotes:

- * Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
 - (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
 - (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid;
 - (J3) Recognized current year School Bus Advertising Revenue; and
 - (J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>319,763.00</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>16,224.00</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crises Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$ <u>335,987.00</u>	(K)

** This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2015 CAFR and must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital reserve	\$ <u>575,979.85</u>
Maintenance reserve	\$ _____
Emergency reserve	\$ _____
Tuition reserve	\$ <u>75,000.00</u>
School Bus Advertising 50% Fuel Offset Reserve-Current Year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve-Prior Year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>650,979.85</u> (C4)